This Listing Statement is compiled by the Exchange from documents filed by the Company in making application for listing. It is issued for the information of members, member firms and member corporations of the Exchange. It is not and is not to be construed as a prospectus. The Exchange has received no consideration in connection with the issue of this Listing Statement other than the customary listing fee. The documents referred to above are open for inspection at the general office of the Exchange.

LISTING STATEMENT No. 1995

LISTED JUNE 27th, 1958
50,000 6% cumulative redeemable first preference shares, participating series, of $50 par value each.
Ticker abbreviation TSRPR
Post section 11.

TORONTO STOCK EXCHANGE

LISTING STATEMENT

TORONTO STAR LIMITED

Incorporated under the laws of the Province of Ontario by Letters Patent dated February 6, 1958 by the name of "Hawthorn Publishing Company Limited". Supplementary Letters Patent dated April 30, 1958 and May 2, 1958 have been issued, the first of which, among other things, changed the corporate name to "Toronto Star Limited".

6% CUMULATIVE REDEEMABLE FIRST PREFERENCE SHARES, PARTICIPATING SERIES

(Par Value $50 per Share)

CAPITALIZATION AS AT MAY 28, 1958

	Authorized	Issued and Outstanding	To be Listed
SHARE CAPITAL			
6% Cumulative Redeemable First Preference Shares, par value $50			
Participating Series	60,000	50,000	50,000
Convertible Series	10,000	10,000	nil
Common Shares without par value	500,000	500,000	nil

FUNDED DEBT	Authorized	Outstanding
5½% First Mortgage Sinking Fund Bonds due May 1, 1978	$10,000,000	$10,000,000
6% Sinking Fund Debentures due May 1, 1979	(Note)	$ 3,500,000

(Note: Additional debentures may be issued in accordance with the provisions of the Trust Indenture.)

June 17, 1958.

1. APPLICATION

Application is hereby made for listing on the Toronto Stock Exchange of 50,000 6% Cumulative Redeemable First Preference Shares, Participating Series, with a par value of $50 per share in the capital of Toronto Star Limited (herein called the "Company") which are issued and outstanding.

2. REFERENCE TO PROSPECTUS

Reference is made to the Prospectus issued by the Company under date of May 14, 1958, in respect of the offering of 6% Cumulative Redeemable First Preference Shares, Participating Series with a par value of $50 per share in the capital of the Company, a copy of which Prospectus is incorporated herein and made a part hereof.

3. OPINION OF COUNSEL

Messrs. Blake, Cassels & Graydon of Toronto, Ontario, Counsel for the Company, are filing in support of this application an opinion stating among other things that (i) the Company has been duly organized and is a valid and subsisting company in good standing under the laws of the Province of Ontario, and (ii) 50,000 6% Cumulative Redeemable First Preference Shares, Participating Series with a par value of $50 per share in the capital of the Company have been duly issued and are fully paid and non-assessable.

4. LISTING ON OTHER STOCK EXCHANGES

None of the securities of the Company are listed on any other stock exchange.

5. STATUS UNDER SECURITIES ACTS

The offering of the 6% Cumulative Redeemable First Preference Shares, Participating Series with a par value of $50 per share in the capital of the Company for sale in all the Provinces of Canada other than Newfoundland and Prince Edward Island has been approved.

6. FISCAL YEAR

The fiscal year of the Company ends on September 30.

7. ANNUAL MEETING

Under the by-laws of the Company the annual meeting of shareholders is to be held on such day in each year as the board of directors may from time to time determine. The first annual meeting of shareholders has not been held.

8. HEAD OFFICE

The head office of the Company is at 80 King Street West, Toronto, Ontario.

9. TRANSFER AGENT AND REGISTRAR

The Transfer Agent and Registrar for the 6% Cumulative Redeemable First Preference Shares, Participating Series with a par value of $50 per share in the capital of the Company is National Trust Company, Limited at Toronto, Montreal, Winnipeg and Vancouver.

10. TRANSFER FEE

No fee is charged on the transfer of the 6% Cumulative Redeemable First Preference Shares, Participating Series with a par value of $50 per share in the capital of the Company other than the customary Government stock transfer taxes.

11. AUDITORS

The Auditors of the Company are Messrs. Clarkson, Gordon & Co. Chartered Accountants, 15 Wellington Street West, Toronto, Ontario.

12. OFFICERS

Joseph Story Atkinson	President	4 Old Forest Hill Road, Forest Hill, Ontario.
William James Campbell	Vice-President	15 Cobble Hills, Etobicoke, Ontario.
Harry Atkinson Hindmarsh	Secretary	Oakville, Ontario.
Beland Hugh Honderich	Vice-President	46 Haslemere Road, Toronto, Ontario.
[illegible] Murray Thall	Vice-President	33 Vesta Drive, Forest Hill, Ontario.

13. DIRECTORS

Joseph Story Atkinson	Executive	4 Old Forest Hill Road, Forest Hill, Ontario.
William James Campbell	Executive	15 Cobble Hills, Etobicoke, Ontario.
Ruth Atkinson Hindmarsh	Widow	Oakville, Ontario.
Harry Atkinson Hindmarsh	Executive	Oakville, Ontario.
Beland Hugh Honderich	Executive	46 Haslemere Road, Toronto, Ontario.
Burnett Murray Thall	Executive	33 Vesta Drive, Forest Hill, Ontario.

CERTIFICATE

Pursuant to a resolution duly passed by its board of directors, the applicant company hereby applies for listing of the above-mentioned securities on The Toronto Stock Exchange, and the undersigned officers thereof hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

CORPORATE SEAL

TORONTO STAR LIMITED

"J. S. ATKINSON," *President.*

"H. A. HINDMARSH," *Secretary.*

STATEMENT SHOWING NUMBER OF SHAREHOLDERS

Distribution of 6% First Preference Shares, Participating Series, as of June 16th, 1958

Number		*Shares*
714	Holders of 1 — 100 share lots	26145
39	" " 101 — 200 " "	6920
8	" " 201 — 300 " "	2300
2	" " 301 — 400 " "	800
3	" " 401 — 500 " "	1500
4	" " 501 — 1000 " "	2900
2	" " 1001 — up " "	9435
772 Stockholders	Total shares	50,000

10,000 Convertible Series First Preference Shares with a par value of $50 each are being offered by Toronto Star Limited to its employees. To the extent of the number of such shares subscribed and paid for, the number of Participating Series First Preference Shares to be issued pursuant to this offer will be reduced.

NEW ISSUE

$3,000,000

Toronto Star Limited

(Incorporated under the laws of Ontario)

6% Cumulative Redeemable First Preference Shares, Participating Series

(Par Value $50 per Share)

These Preference Shares when issued will be fully paid and non-assessable and will be preferred as to capital and dividends. Cumulative preferential dividends at the rate of 6% per annum, as and when declared by the Board of Directors, will be payable quarterly on the last days of March, June, September and December by cheque of the Company, payable at par at any branch in Canada of the Company's bankers. The shares will be redeemable at the option of the Company on any dividend payment date as a whole or from time to time in part, on at least 30 days' notice, at the amount paid up thereon together with all accrued and unpaid dividends thereon to and including the date fixed for redemption, together with a premium of $5.00 per share.

In addition to the fixed cumulative preferential dividends the holders of the Participating Series Preference Shares shall be entitled to receive, in preference to the payment of any dividend on shares of the Company ranking after the Preference Shares, a participating dividend when in any fiscal year of the Company, the net profits (as defined herein) of the Company exceed $500,000: such participating dividend shall be payable on the 31st day of December next following the close of the fiscal year and shall be the lesser of (a) $1.00 per share; or (b) a sum per share determined by dividing the amount by which the net profits for the fiscal year exceed $500,000 by the number of Participating Series Preference Shares outstanding on the day on which such fiscal year ended.

The preferences, rights, conditions, restrictions, limitations and prohibitions attaching to the 6% First Preference Shares are fully set out in paragraph (H) on pages 11 to 17 inclusive of this prospectus.

Transfer Agent and Registrar:
National Trust Company, Limited—Toronto, Montreal, Winnipeg and Vancouver

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We, as principals, offer these 6% Cumulative Redeemable First Preference Shares, Participating Series, if, as and when issued and accepted by us, subject to the approval of all legal matters by Messrs. Blake, Cassels & Graydon on behalf of the Company and by Messrs. Day, Wilson, Kelly, Martin & Campbell on our behalf.

Price: $50 per Share

Dividends on the 6% First Preference Shares will accrue from May 16, 1958.

It is expected that registered certificates will be available for delivery in Toronto, Montreal and Winnipeg on or about May 27, 1958.

The listing of the shares offered by this prospectus on The Toronto Stock Exchange has been approved, subject to the filing of documents and evidence of satisfactory distribution.

The right is reserved to reject any or all applications and also in any case to allot a smaller amount than is applied for.

May 14, 1958

Printed in Canada

This prospectus is not and under no circumstances is to be construed as an offering of any of these first preference shares for sale in the United States of America or in the territories or possessions thereof.

CONTENTS

The following information has been supplied by officers of Toronto Star Limited.

The Company

Toronto Star Limited (herein referred to as the "Company") was incorporated under the laws of the Province of Ontario on February 6, 1958 as Hawthorn Publishing Company Limited to acquire as of the close of business on February 28, 1958 as going concerns the undertakings and goodwill and all assets of every kind and description of The Toronto Star Limited and Toronto Star Realty Limited (hereinafter sometimes collectively referred to as the "Predecessor Companies") under and pursuant to the purchase agreement more particularly referred to in paragraph (U) on page 19 of this prospectus. It is expected that the purchase will be completed on or about May 27, 1958. The name Hawthorn Publishing Company Limited was changed to Toronto Star Limited by Supplementary Letters Patent dated April 30, 1958. Since February 28, 1958 the assets agreed to be purchased have been operated by the Predecessor Companies for the account of the Company.

The Toronto Star Limited, one of the Predecessor Companies, publishes The Toronto Daily Star and The Star Weekly.

History—The Predecessor Companies had their origin in the Star Printing & Publishing Company Ltd., founded in 1892 and with which the late J. E. Atkinson became associated in 1899. Early in the 1900's Mr. Atkinson acquired control of the business. On December 23, 1933 Star Printing & Publishing Company Ltd. sold all its realty to Toronto Star Realty Limited and sold its undertaking and all other assets to The Toronto Star Limited (herein sometimes referred to as "The Star") both incorporated as of that date for the respective purposes of holding realty and acting as a publishing corporation. The control of these companies remained with Mr. Atkinson until his death in May 1948 and in his Will he expressed his "desire that the ownership and operation of the newspapers known as The Toronto Daily Star and The Star Weekly shall not fall into private hands, and that the shares in the capital stock of The Toronto Star Limited and Toronto Star Realty Limited held by me shall be held in trust for and ultimately belong to The Atkinson Charitable Foundation . . ." a Foundation he had established in March 1942.

In 1949 the Ontario Legislature passed the Charitable Gifts Act, which made it impossible to carry out the expressed desire of Mr. Atkinson that his shares be held for and ultimately belong to the Foundation. Early in February 1958 Joseph S. Atkinson and Mrs. Ruth Atkinson Hindmarsh, the son and daughter respectively of the late J. E. Atkinson, and William J. Campbell, Beland H. Honderich and Burnett M. Thall, all directors of the Predecessor Companies, together with Harry A. Hindmarsh, a grandson of the late J. E. Atkinson, caused the Company to be incorporated for the express purpose of making an offer to purchase all the assets of the Predecessor Companies. In the offer to purchase the Company agreed that it would observe and promote in its publications the doctrines and beliefs which the late J. E. Atkinson promoted in his lifetime. The Supreme Court of Ontario on March 26, 1958 approved the purchase by the Company of the undertakings, goodwill and all assets of the Predecessor Companies and as a term of such approval the Company undertook with The Atkinson Charitable Foundation that, if during the period to expire March 31, 1963, it should sell the assets purchased from the Predecessor Companies for a price in excess of the amount paid by it for such assets, it would pay the amount of the excess to the Foundation when the price had been paid to it in full on the basis that the Foundation would pay any tax levied on or incurred by reason of such payment.

The Toronto Daily Star, herein referred to as the "Daily", is published in five editions each afternoon excluding Sundays and statutory holidays and has been published continuously since 1892. Its circulation is the largest of any daily newspaper in Canada and ranks tenth among North American evening newspapers. The average daily paid circulation as reported by the Audit Bureau of Circulations for the six years ended September 30, 1957 and the circulation revenue as reported by The Star for each of such years were as follows:

	Circulation	Circulation Revenue
1952	422,756	$3,650,882
1953	390,419	4,310,460
1954	404,161	4,481,808
1955	399,343	4,406,796
1956	394,423	4,357,327
1957	386,784	4,506,695

A decrease in circulation has taken place in recent months as a direct result of the increase in the sale price of the Daily from 5 cents to 10 cents a copy on December 9, 1957. The circulation experience since that time follows the pattern of previous price increases. In January, 1938 the price of the Daily was increased from 2 cents to 3 cents a copy, resulting in a circulation loss which was not regained until September, 1942. A decrease in circulation resulted again in 1952 following an increase to 5 cents a

copy. On each occasion of a price increase, a loss in circulation has been offset by an increase in circulation revenue.

Total advertising linage as reported by Media Records and total advertising revenue as reported by The Star for each of the six years ended December 31, 1957 were as follows:

	Advertising Linage			Advertising Revenue
	Display	Classified	Total	
1952	17,404,893	9,175,653	26,580,546	$11,174,379
1953	19,737,237	10,625,122	30,362,359	12,876,661
1954	20,884,838	10,830,066	31,714,904	13,367,894
1955	20,730,091	12,067,926	32,798,017	15,212,517
1956	20,580,885	12,811,054	33,391,939	16,798,148
1957	18,910,255	9,955,186	28,865,441	15,625,109

The advertising linage experience of the Daily over the past several years has followed a pattern similar to that of other large daily North American newspapers. As indicated above, there has been an increase in each year from 1952 to 1956 inclusive but with the change in general business conditions in 1957, Help Wanted advertising shrank appreciably and was the principal factor in a decrease in that year in total advertising of 4,526,498 lines or 13.5% below 1956.

Higher publication costs in recent years have necessitated periodic increases in advertising rates. Compared with the year ended December 31, 1952 total advertising linage in 1957 showed an increase of 8.6% while advertising revenue showed an increase of 39.8% on the same comparative basis.

According to Media Records, in each year since 1952 the Daily ranked first in classified advertising linage among all evening newspapers in North America. In total advertising it ranked third in each of the years 1952 to 1955 inclusive; in second place in 1956; in sixth place in 1957; and second for the first three months of 1958.

The Star Weekly, herein referred to as the "Weekly" has been published continuously since 1910 and is the only publication of its kind in Canada or the United States. It is sold as a complete publication and not as an insert in a Saturday or Sunday daily newspaper. The Weekly is tabloid size and includes a rotogravure picture section, a rotogravure magazine section, coloured comics and a novelette. Compared with the Sunday newspapers published in the United States, the Weekly ranks sixth in circulation, being exceeded only by the New York News, New York Mirror, Chicago Tribune, New York Times and the Philadelphia Inquirer.

The average weekly paid circulation of the Weekly as reported by the Audit Bureau of Circulations for the six years ended September 30, 1957 and the circulation revenue as reported by The Star for each of such years were as follows:

	Circulation	Circulation Revenue
1952	887,812	$4,084,640
1953	920,883	4,248,151
1954	897,714	4,138,081
1955	885,722	4,100,019
1956	873,272	4,122,387
1957	886,527	4,913,712

For many years the Weekly was without serious competition in the so-called "week-end" publication field in Canada. However, in 1951 Weekend magazine, a supplement which is inserted in the Saturday issues of daily newspapers, made its appearance. In 1957 Weekend was distributed to 27 daily newspapers with a combined circulation of about 1,500,000.

The Weekly is a national publication sold in every Canadian province with over 50% of its circulation in Ontario. With the exception of approximately 3500 copies which are sold on a subscription basis, all other copies are sold on a single issue basis. For a number of years the price of the Weekly in Ontario and Quebec was 10 cents a copy and 15 cents a copy elsewhere. In January 1957 the price was increased to 15 cents a copy.

Total advertising linage and total advertising revenue both as reported by The Star for each of the six years ended December 31, 1957 were as follows:

	Advertising Linage	Advertising Revenue
1952	1,140,793	$3,546,062
1953	1,276,762	3,924,597
1954	1,357,843	4,523,115
1955	1,267,870	4,363,053
1956	1,089,595	3,922,206
1957	962,953	3,703,852

Other Operations—While the publication of the Daily and the Weekly are by far the most important functions of the Predecessor Companies, other operations include—

RESEARCH AND ENGINEERING DEPARTMENT—The Star is one of the very few publishers in North America that has a professional Research and Engineering staff. It was set up under J. S. Atkinson in 1937 to develop equipment for mechanising many of the manual operations prevalent in the newspaper business. The department designed and developed the Wallastar automatic newspaper bundling machine on which The Star holds patents. This machine—produced and sold by The Star—is in use today in newspapers throughout Canada and the United States. Other developments have included the Starwrapper, which automatically feeds a kraft wrapper beneath a stack of newspapers, conveyor equipment and diverters which permit the interchange of stacks of newspapers among conveyors. The London (England) Daily Mirror recently arranged for the installation of 26 Starwrappers and 26 diverters.

INK DEPARTMENT—It is believed that The Star is the only publisher in Canada that produces its own ink. This department was developed by the Research and Engineering Department in 1937, and soon after was able to supply all the ink required by the Daily and the Weekly. In the fiscal year ended September 30, 1957 it produced over 3,400,000 lbs. of black and colored ink at a saving to the Company of more than $200,000. The new Ink Department, located on the harbor property at Yonge and Fleet Streets is one of the most efficient operations of its kind in Canada.

TORONTO STAR SYNDICATE—The Star operates the largest syndicate dealing with newspaper features in Canada. It is the principal agent in Canada for King Features Syndicate and also represents a number of other American and British syndicate companies. It holds Canadian sales rights to Reader Mail Services Incorporated of New York, N.Y., which is controlled by King Features Syndicate, and operates a mail service on dress and needlework patterns, sold to over 185 newspapers and magazines in Canada.

Property—In the fall of 1957 The Star obtained a report from W. H. Bosley & Co., Toronto, Ontario as to the value of the realty owned by the Predecessor Companies and a report dated December 2, 1957, from The American Appraisal Company, Milwaukee, Wisconsin, as to the cost of reproduction less depreciation of its machinery, equipment, office furniture, fixtures, automobiles and automobile trucks. The aggregate of such appraisals amounted to $17,751,627. The respective summary reports are as set out hereunder.

W. H. BOSLEY & CO.
27 WELLESLEY ST. EAST
TORONTO 5

19th October, 1957.

J. S. Atkinson, Esq.,
President,
The Toronto Star Limited,
80 King Street West,
Toronto, Ontario.

re: Properties

Dear Mr. Atkinson:

In accordance with your instructions, we have now inspected the properties of The Toronto Star Limited and Toronto Star Realty Limited for the purpose of expressing to you our opinion as to their market value.

In our opinion, the market values of the real properties as of this date are:—

(1) 80 King Street West	$3,600,000
(2) 90-102 King Street West	750,000
(3) Parking Lot between Pearl and Adelaide Streets	650,000
(4) No. 1, Yonge Street	3,300,000
(5) Lease and Option on Warehouse Building—foot of Yonge Street	76,000
(6) Fleet Garage—Dupont Street	470,000
Total:	$8,846,000

We thank you for this opportunity of being of service to you.

Yours very truly,
W. H. BOSLEY & Co.
(*Signed*) W. H. Bosley

THE AMERICAN APPRAISAL COMPANY
MILWAUKEE 1, WIS.

December 2, 1957.

The Toronto Star Limited
Toronto, Ontario

Gentlemen:

We have examined certain plant assets exhibited to us as the property of
THE TORONTO STAR LIMITED
located at Toronto, Ontario
for the purpose of expressing an opinion of the sound value of the property as of April 30, 1957.

Our report consists of:

SUMMARY VOLUME

Containing this letter summarizing the results of our investigation.

A summary by locations showing the distribution of the appraised cost of reproduction new and cost of reproduction less depreciation by classifications of property for each of the respective buildings and outside locations.

INVENTORY VOLUME

An inventory with technical descriptions of the items of property included in the appraisal showing for each item or group of items the appraised cost of reproduction new, percentage of accrued depreciation and cost of reproduction less depreciation.

The property appraised consists of the assets comprised within the classifications stated below and is exclusive of buildings, type and metal, supplies, materials on hand, company records, or any current or intangible assets.

We have personally inspected the property, investigated the local market conditions, and given consideration to the

Cost of Reproduction New of the property in accordance with current market prices for materials, labor, and manufactured equipment, but without provision for overtime or bonuses for labor and premiums for materials,

Accrued depreciation as evidenced by the observed condition and present and prospective serviceability in comparison with new units of like kind, and

Character and utility of the property.

Our findings are represented by the accompanying summary and inventory which set forth the cost of reproduction less depreciation of the appraised property as follows:

Machinery and Equipment	$8,392,279.90
Office Furniture and Fixtures	300,366.13
Automobiles and Automobile Trucks	191,035.00
TOTAL	$8,883,681.03

Therefore, it is our opinion that EIGHT MILLION, EIGHT HUNDRED EIGHTY-THREE THOUSAND, SIX HUNDRED EIGHTY-ONE DOLLARS AND THREE CENTS ($8,883,681.03) represents the sound value of the property appraised as of April 30, 1957, for continued use as a part of a going concern.

In addition to the property appraised in the above stated amount of $8,883,681.03, we have included in this report branch office furniture and equipment in the amount of $21,946.85 on the basis of information furnished by The Toronto Star Limited.

We have made no investigation of and assume no responsibility for title to, or liabilities against, the property appraised.

Respectfully submitted

THE AMERICAN APPRAISAL COMPANY
By (*Signed*) D. J. Blattner
Vice-President

A summary description of the property so valued all situated in the City of Toronto and which is being acquired by the Company pursuant to the purchase agreement referred to herein is as follows:

Real Estate—

—Land with a frontage of approximately 182 feet, located at 80 King Street West and extending approximately 187 feet in depth to Pearl Street, on which is situated a 23-storey office building and newspaper plant completed in 1929. The building contains approximately 242,000 square feet of usable space, about 180,000 of which are occupied by The Star for its newspaper operations. The remaining space is leased to tenants for office, store and restaurant space.

—Land with a frontage of approximately 106 feet located at 90-102 King Street West, and adjoining the 80 King Street West property and extending approximately 90 feet in depth, on which is situated a three-storey building housing certain offices of the Predecessor Companies as well as offices and stores leased to other tenants.

—Land with a frontage of approximately 114 feet on the south side of Pearl Street with a depth of approximately 97 feet, joining on the north the 90-102 King Street West property, used by The Star as a parking lot.

—Land with a frontage of approximately 140 feet on the north side of Pearl Street opposite the Pearl Street south side frontage and with a depth of approximately 93 feet, used by The Star as a parking lot mainly for delivery trucks.

—Land with a frontage of approximately 151 feet on the south side of Adelaide Street West with a depth of approximately 93 feet, and adjoining the north side of the Pearl Street property, leased to and used by others as a public parking lot.

—Land with a frontage of approximately 220 feet with a depth of approximately 200 feet located on Dupont Street at the corner of Albany Avenue (one block east of Bathurst Street) on which is situated a three-storey ramp type garage building used by The Star for the storage and maintenance of the fleet of vehicles used in its newspaper operations. The Research and Engineering Department is located in this building.

—A tract of land of 7.610 acres located at One Yonge Street at the corner of Fleet Street, on which is situated a two-storey ink plant and a manufacturing building in which the rotogravure picture and magazine sections of the Weekly are printed. Large newsprint storage facilities are also available in this plant.

—The Star also holds from The Toronto Harbour Commissioners a lease for 21 years from July 1, 1951, on a tract of land of 1.377 acres located on the harbour front at the foot of Yonge Street, Toronto, and opposite One Yonge Street, with a frontage of 200 feet on Queen's Quay and with a wharf frontage of 300 feet on the west boundary. The lease contains an option to renew for a further term of 21 years and an option to purchase the major part of the property exercisable before July 1, 1967. At the present time the property is subleased for 7 years from January 1, 1952.

Other Property—

The facilities of the Predecessor Companies which are being acquired by the Company give it the capacity to produce more papers than any other Canadian newspaper. The printing equipment consists of—

—Six black and white presses comprising a total of 44 units located at the 80 King Street West property for printing the Daily.

—A 20 unit colour press used for printing the comic and novelette sections of the Weekly, also located at the 80 King Street West property.

—A rotogravure press of 15 units located at the Yonge and Fleet Street property, for printing the rotogravure picture and magazine sections of the Weekly.

Other equipment includes 60 typesetting machines, photographic equipment, modern photo engraving, stereotyping, mailing, and paper handling equipment, machine and electrical repair shops used for repairing and building equipment used in The Star's operation and a fleet of automobiles and trucks including tractors, trailers and panel trucks.

Employee Relations—At the present time the Predecessor Companies have approximately 1850 employees of whom about 510 have been employed with them for 10 years. The Star's Quarter Century Club has some 314 members, of whom 58 are retired. The Predecessor Companies have a long history of harmonious relations between management and employees due in the main to the mutual respect of one for the other. Other than approximately 125 management personnel, all employees are covered by collective bargaining agreements. The main contracts are with the international printing unions with whom negotiations for renewals of their present contracts are now taking place, and with the American Newspaper Guild with whom conciliation proceedings have been com-

menced. For the benefit of its employees the Company intends to carry on the pension schemes introduced in 1953 by the Predecessor Companies and which are available to employees at their option on a contributory or non-contributory basis. Liberal hospitalization and surgical benefits are also available to employees.

Management—The Company will be managed by the present officers of the Predecessor Companies, all of whom have had varied and extensive experience in the newspaper business and all of whom have been with the Predecessor Companies for many years.

Capitalization

upon completion of the present financing

	Authorized	Outstanding
FUNDED DEBT:		
5½% First Mortgage Sinking Fund Bonds due May 1, 1978	$10,000,000	$10,000,000
6% Sinking Fund Debentures due May 1, 1979	(1)	3,500,000
CAPITAL STOCK:		
First Preference Shares—par value $50 each		
6% Cumulative Redeemable Participating Series	60,000 shs.	60,000 shs. (2)
6% Cumulative Redeemable Convertible Series	10,000 shs.	
Common Shares without par value	500,000 shs.	500,000 shs.

(1) Additional debentures may be issued in accordance with the provisions of the Trust Indenture.

(2) The aggregate number of Participating Series First Preference Shares and Convertible Series First Preference Shares to be presently issued is 60,000 and accordingly the number of Participating Series First Preference Shares to be issued is to be 60,000 less the number of Convertible Series First Preference Shares subscribed and paid for. Each Convertible Series First Preference Share will be convertible at the option of the holder into 10 fully paid common shares at any time after July 1, 1962 and prior to June 30, 1967.

Purpose of Issue

The proceeds to be derived by the Company from the sale of 60,000 First Preference Shares, with a par value of $50 each including the 6% Cumulative Redeemable First Preference Shares, Participating Series offered by this prospectus and $10,000,000 5½% First Mortgage Sinking Fund Bonds $3,500,000 6% Sinking Fund Debentures, and 499,940 common shares without par value are to be applied by the Company toward the satisfaction of the sum of $18,142,549 payable in cash to the Predecessor Companies under the agreement referred to in paragraph (U) of the Statutory Information contained in this prospectus.

Certain Covenants

In the Deed of Trust and Mortgage (herein referred to as the "Trust Deed") dated as of May 1, 1958, made by the Company in favour of National Trust Company, Limited, as Trustee, to secure its First Mortgage Sinking Fund Bonds, the Company has covenanted to the effect that so long as any of the 5½% First Mortgage Sinking Fund Bonds remain outstanding, it will not make any Distribution to its shareholders unless after giving effect thereto (and to any other Distributions previously or contemporaneously authorized) the amount of Net Current Assets (as defined in the Trust Deed) is at least $3,500,000 as at the date of authorization of such Distribution by the directors, if such Distribution is made within 60 days thereafter, or as at the date such Distribution is made, if such Distribution is made without prior authorization by the directors or more than 60 days after the date of such authorization.

"Distribution" is defined in the Trust Deed as meaning; (i) a payment or distribution to shareholders by way of dividend in cash or in specie, but not a stock dividend; (ii) a payment or distribution by way of purchase, redemption, reduction or other retirement of capital stock unless made out of the proceeds of a substantially concurrent sale of other shares of capital stock of the Company; and (iii) a payment of tax by the Company on undistributed income under section 105 of the Income Tax Act (Canada), or on premiums paid on the redemption or acquisition of preference shares under section 105A of the said Act, or under any sections or provisions amending the said sections or substituted therefor.

In the Trust Indenture, dated as of May 1, 1958, made by the Company in favour of The Canada Permanent Trust Company, as trustee, under which its Sinking Fund Debentures are to be issued, the Company has covenanted to corresponding effect so long as any of the 6% Sinking Fund Debentures remain outstanding.

Summary of Earnings

The Company is acquiring as of the close of business on February 28, 1958 from the Predecessor Companies, (The Toronto Star Limited and Toronto Star Realty Limited) their undertakings, goodwill and assets. The following statement of the combined earnings of the Predecessor Companies for each of the ten years ended September 30, 1957 and the five months ended February 28, 1958 has been prepared from the earnings statements of each of the Predecessor Companies.

	Combined net earnings before depreciation and taxes on income (Note 1)	Depreciation (Note 2)	Combined net earnings before taxes on income	Taxes on income (Note 3)	Combined net earnings (Note 4)
Fiscal year ended September 30—					
1948	$2,300,432	$194,220	$2,106,212	$ 841,509	$1,264,703
1949	1,196,001	244,480	951,521	408,569	542,952
1950	2,293,628	286,401	2,007,227	800,034	1,207,193
1951	2,153,604	242,772	1,910,832	951,586	959,246
1952	2,168,996	231,404	1,937,592	1,016,973	920,619
1953	3,701,808	261,152	3,440,656	1,712,696	1,727,960
1954	2,843,363	676,674	2,166,689	1,019,755	1,146,934
1955	3,029,109	977,698	2,051,411	879,814	1,171,597
1956	3,054,411	909,604	2,144,807	974,985	1,169,822
1957	2,621,950	887,853	1,734,097	809,662	924,435
Five months ended February 28, 1958	1,227,788	318,699	909,089	434,185	474,904

NOTES:

1. A pension plan was introduced in the 1953 fiscal year and amounts paid to trustees on account of past and future services aggregating $1,697,000 to February 28, 1958 have been charged to earnings.
2. Depreciation has been provided throughout the above period at the maximum rates and on the bases permitted by Canadian taxation authorities from time to time. Commencing with the 1950 fiscal year the diminishing balance method has been used.
3. Income taxes shown above are as assessed in each of the years 1948 through 1955; as filed for the years 1956 and 1957 and as estimated for the five months ended February 28, 1958.
4. The above combined earnings include net profits on the disposal of capital assets to the extent of $330,000. The amount attributed to any single year does not exceed 4% of the combined net earnings for the year with the exception of 1955 in which year such profits amounted to approximately $220,000.

Auditors' Report

To the Directors of
Toronto Star Limited:

We have examined the statement of combined earnings of the Predecessor Companies (The Toronto Star Limited and Toronto Star Realty Limited) for the ten fiscal years ended September 30, 1957 and the five months ended February 28, 1958. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying statement presents fairly the combined earnings of the Predecessor Companies for the ten fiscal years ended September 30, 1957 and for the five months ended February 28, 1958.

Toronto, Canada,
May 12, 1958.

(*Signed*) CLARKSON, GORDON & CO.
Chartered Accountants.

The Company proposes to provide depreciation (mostly on a straight-line basis) at rates sufficient to amortize the cost to it of the properties acquired over their estimated remaining useful lives. The aggregate depreciation to be provided based on assets in service at February 28, 1958 would approximate $800,000 per annum.

Toronto Star Limited
Pro Forma Balance Sheet—February 28, 1958

After giving effect to:

(a) The acquisition of the assets of The Toronto Star Limited and Toronto Star Realty Limited (Predecessor Companies) in accordance with an offer dated February 20, 1958 for a cash consideration of $18,142,549 and assumption of current liabilities totalling $1,333,905.

(b) The issue of $10,000,000 5½% First Mortgage Sinking Fund Bonds for $9,750,000; $3,500,000 6% Sinking Fund Debentures for $3,395,000; 499,940 Common Shares without par value for $999,880; and 60,000 First Preference Shares with a par value of $50 each for $3,000,000 subject to the payment of a maximum commission of $90,000.

(c) The payment of $250,000 for preliminary expenses including legal, auditing, printing and miscellaneous expenses in connection with the incorporation of the Company, the purchase from the Predecessor Companies and the issue of securities.

(d) The issue of supplementary letters patent dated April 30, 1958 and May 2, 1958 increasing the authorized capital and changing the name of the Company.

Assets

Current:		
Cash and investment in bonds and accrued interest at market value		$ 1,310,276
Accounts receivable		2,281,056
Inventories, at the lower of cost or market		1,637,071
Bonds held for security deposits	$ 211,134	
Less amounts deposited by customers	180,960	30,174
Prepaid expenses, etc.		200,190
		$ 5,458,767
Fixed—at cost:		
Land	$ 3,550,899	
Buildings	3,089,084	
Machinery, equipment, etc.	6,240,155	12,880,138
(Note: W. H. Bosley & Co. appraised the real estate and buildings at their market value on October 19, 1957 and The American Appraisal Company appraised machinery, equipment, etc., as at April 30, 1957 at the cost of reproduction less depreciation. The aggregate of such appraised values, adjusted for the cost of additions less the appraised value of disposals subsequent to the dates of the appraisals, is $18,125,000.)		
Deferred:		
Bond discount, commission on issue of first preference shares and other financing expense		495,000
		$18,833,905

Liabilities

Current:		
Accounts payable and accrued expenses		$ 1,246,435
Municipal and excise taxes payable		45,744
Provision for unexpired subscriptions		41,726
		$ 1,333,905
Long-Term:		
5½% First Mortgage Sinking Fund Bonds due May 1, 1978	$10,000,000	
6% Sinking Fund Debentures due May 1, 1979	3,500,000	13,500,000
Shareholders' Equity:		
First Preference Shares, par value $50, 6% Cumulative		
Authorized:		
Participating Series, redeemable at $55 per share—60,000 shares.		
Convertible Series, redeemable at $50 per share—10,000 shares.		
Issued:		
Participating Series / Convertible Series } 60,000 shares	$ 3,000,000	
Common Shares without par value		
Authorized and Issued—500,000 shares	1,000,000	4,000,000
		$18,833,905

Notes:

1. Based upon the report of a Consulting Actuary as at December 31, 1957, unfunded past service costs of the pension plan assumed from the predecessor companies have been estimated at $2,580,000 at February 28, 1958; the company intends to fund this amount in equal annual instalments to 1982.
2. No specific provision has been made for the contingent liability, estimated to have a then present value of $3,150,000 at December 31, 1957, with respect to the dismissal, disability, severance and retirement provisions contained in contracts, and with respect to compassionate allowances, all assumed from the predecessor companies.
3. Each Convertible Series First Preference Share will be convertible at the option of the holder into 10 fully paid common shares at any time after July 1, 1962 and prior to June 30, 1967.

Approved on behalf of the Board: (*Signed*) J. S. Atkinson, Director
(*Signed*) W. J. Campbell, Director

Auditors' Report

To the Directors of
Toronto Star Limited:

We have examined the pro forma balance sheet of Toronto Star Limited as at February 28, 1958. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying pro forma balance sheet presents fairly the financial position of the company as at February 28, 1958 after giving effect to the changes set forth in the heading thereof.

Toronto, Canada, (*Signed*) Clarkson, Gordon & Co.
May 12, 1958. Chartered Accountants.

STATUTORY INFORMATION

(A) The full name of the Company and the address of its head office is Toronto Star Limited, 80 King Street West, Toronto, Ontario, Canada.

(B) Toronto Star Limited (herein referred to as "the Company") was incorporated under the laws of the Province of Ontario, Canada, by letters patent, dated February 6, 1958 by the name of "Hawthorn Publishing Company Limited". Supplementary letters patent, dated April 30, 1958 and May 2, 1958 have been issued to the Company, the first of which, among other things, changed the Company's corporate name to "Toronto Star Limited".

(C) The general nature of the business actually to be transacted by the Company is the publication of The Toronto Daily Star and The Star Weekly.

(D) The names, present occupations and home addresses of the directors and officers of the Company are as follows:

Directors

Joseph Story Atkinson	Executive	4 Old Forest Hill Road, Forest Hill, Ontario.
William James Campbell	Executive	15 Cobble Hills, Etobicoke, Ontario.
Ruth Atkinson Hindmarsh	Widow	Oakville, Ontario.
Harry Atkinson Hindmarsh	Executive	Oakville, Ontario.
Beland Hugh Honderich	Executive	46 Haslemere Road, Toronto, Ontario.
Burnett Murray Thall	Executive	33 Vesta Drive, Forest Hill, Ontario.

Officers

Joseph Story Atkinson	President	4 Old Forest Hill Road, Forest Hill, Ontario.
William James Campbell	Secretary-Treasurer	15 Cobble Hills, Etobicoke, Ontario.

(E) The name and address of the Auditors of the Company are Clarkson, Gordon & Co., Chartered Accountants, 15 Wellington Street West, Toronto, Ontario.

(F) The registers and transfer books in respect of the 5½% First Mortgage Sinking Fund Bonds of the Company will be maintained at the offices of National Trust Company, Limited in the cities of Toronto, Montreal, Winnipeg and Vancouver.

The registers and transfer books in respect of the 6% Sinking Fund Debentures will be maintained at the offices of The Canada Permanent Trust Company in the cities of Toronto, Montreal, Winnipeg and Vancouver.

The transfer agent and registrar in respect of the first preference shares and common shares of the Company will be National Trust Company, Limited at its offices in the cities of Toronto, Montreal, Winnipeg and Vancouver.

(G) The authorized share capital of the Company consists of 70,000 first preference shares with a par value of $50 each, none of which have been issued, and 500,000 common shares without par value, of which 60 common shares have been issued and are outstanding as fully paid. The first preference shares are issuable in series, of which 60,000 have been authorized to be issued as 6% Cumulative Redeemable First Preference Shares, Participating Series, (herein sometimes referred to as the "Participating Series Preference Shares"), and 10,000 have been authorized to be issued as 6% Cumulative Redeemable First Preference Shares, Convertible Series, (herein sometimes referred to as the "Convertible Series Preference Shares").

(H) The respective voting rights, preferences, conversion and exchange rights, rights to dividends, profit or capital of each class of shares, including redemption rights, and rights on liquidation or distribution of capital assets are as follows:

Preference Shares

The first preference shares as a class carry and have attached thereto the following:

1. The preference shares may be issued from time to time in one (1) or more series of which the first series shall be the Participating Series Preference Shares hereinafter referred to.

2. The holders of the preference shares shall be entitled to receive and the Company shall pay to them, as and when declared by the board of directors of the Company out of moneys of the Company properly applicable to the payment of dividends, fixed preferential cumulative cash dividends (herein referred to as the "fixed preferential dividends") at the rate of six per cent (6%) per annum, payable quarterly on the last days of March, June, September and December, on the amounts from time to time paid up thereon, by cheque of the Company, payable at par at any branch in Canada of the Company's bankers for the time being; the fixed preferential dividends shall accrue and be cumulative from such date or dates not later than six (6) months after the respective dates of issues, as may in the case of each issue be determined by the directors of the Company and in case no date be so determined, then from the date of allotment, provided that in respect of the Participating Series Preference Shares the fixed preferential dividends shall accrue at the rate aforesaid from the sixteenth day of May, 1958 and the first instalment shall be payable on the thirtieth day of June, 1958; except for the participating dividend attaching to the Participating Series Preference Shares as hereinafter provided the holders of the preference shares of whatever series shall not be entitled to any dividends other than or in excess of the fixed preferential dividends.

3. If and whenever the Company shall be in default in paying six (6) quarterly dividend instalments on the preference shares, whether consecutive or not and whether or not earned or declared, or shall be in default in paying two (2) annual participating dividends on the Participating Series Preference Shares, or shall be in default under the purchase fund provisions hereinafter contained relating to the preference shares, and so long thereafter as any dividends on the preference shares remain in arrears or any default under the said purchase fund provisions continues, each holder of preference shares shall be entitled at all meetings of shareholders of the Company to one (1) vote for each such share held by him and the holders of preference shares shall be entitled, as a class, to elect one (1) member of the board of directors of the Company; save as aforesaid and except as hereinafter specifically provided, the holders of the preference shares shall have no voting rights in respect thereof; and the holders of the preference shares shall not be entitled to receive notice of or to attend any meetings of shareholders of the Company except those at which they are entitled to vote and those called for the purpose of authorizing the dissolution of the Company or the sale of its undertaking or a substantial part thereof, but the Company shall mail to them copies of the financial statements, of the auditors' report and of the directors' report thereon submitted to annual meetings of shareholders.

4. Notwithstanding anything contained in the by-laws of the Company, all directors of the Company in office at the time when voting rights shall accrue to the holders of the preference shares under clause 3 hereof or who may become directors thereafter and prior to a meeting of shareholders hereinafter referred to shall retire at the next annual meeting of shareholders or at an earlier general meeting of shareholders which may be held for the purpose of electing directors at any time after the accrual of such voting rights; any such general meeting of shareholders may be held upon not less than twenty (20) days' written notice and shall be called by the secretary of the Company upon written request of the holders of record of at least one-tenth (1/10th) of the outstanding preference shares; in default of the calling of such general meeting by the secretary within five (5) days after the making of such request, it may be called by any holder of record of preference shares; if the member of the board of directors elected by the holders of preference shares in accordance with the foregoing provisions shall die, resign or otherwise cease to be a director during his term of office, the board may elect a holder of one (1) or more preference shares to fill the vacancy so created; the holders of record of at least one-tenth (1/10th) of the outstanding preference shares shall have the right to require the secretary of the Company to call a meeting of the holders of the preference shares for the purpose of filling such vacancy if not filled by the board or for the purpose of replacing the person elected by the board to fill such vacancy and the foregoing provisions of this clause 4 shall apply in respect of the calling of such meeting; notwithstanding anything contained in the by-laws of the Company, upon any termination of the voting rights of the holders of the preference shares as herein provided the term of office of the director elected by the holders of preference shares shall forthwith terminate.

5. The holders of the preference shares shall be entitled on the liquidation, dissolution or winding up of the Company or other distribution of its assets among its shareholders other than by way of dividends paid while the Company is a going concern out of moneys of the Company properly applicable to the payment of dividends to receive, before any distribution shall be made to the holders of any other shares of the Company, the amount paid up on their shares together with an amount equal to all accrued and unpaid dividends thereon for which purpose the fixed preferential dividends shall be treated as accruing to the date of distribution, whether or not declared, and, if such liquidation, dissolution, winding up or other distribution be voluntary, a premium of such amount per share as may be provided by the conditions applying to the preference shares of each series respectively; the holders of the preference shares shall not be entitled to any further participation in any distribution of the assets of the Company.

6. Subject to the provisions of clause 10 hereof and to the preferences, rights, conditions, restrictions, limitations or prohibitions attaching to the preference shares of any series, the Company shall have the right to redeem on any dividend payment date the whole or any lesser number of the then outstanding preference shares on payment for each share to be redeemed of the amount paid up thereon together with an amount equal to all accrued and unpaid dividends thereon (for which purpose the fixed preferential dividends shall be treated as accruing to the date of redemption) and such premium, if any, as may be provided by the conditions applying to the preference shares of each series respectively; the whole amount constituting the redemption price.

7. Whenever any of the preference shares are to be redeemed notice of redemption shall be given by the Company by a letter or circular mailed by prepaid ordinary post in an envelope addressed to each person who, at the date of such mailing, is the registered holder of preference shares to be redeemed, at his last address appearing on the register, not less than thirty (30) clear days prior to the redemption date; provided that accidental failure to give such notice to one (1) or more of such holders shall not affect the validity of the redemption; every such notice shall specify the redemption date, the redemption price and, unless all the preference shares held by the person to whom it is addressed are to be redeemed, the number so to be redeemed and shall state that the redemption price will be paid to the respective registered holders of the shares so called for redemption on presentation and surrender of the certificates representing such shares at the place or at one (1) of the places of payment named in the notice and that dividends shall cease to accrue upon the said shares from and after the redemption date; on and after the redemption date the Company shall pay or cause to be paid to or to the order of the holders of the preference shares called for redemption the redemption price on presentation and surrender of the respective certificates representing such shares at the place or at one (1) of the places named in the notice; provided that if notice of any such redemption be given as aforesaid and an amount equal to the redemption price of all the preference shares called for redemption be deposited on or before the redemption date at the principal office in the City of Toronto of a chartered bank of Canada or of a trust company carrying on business in the Province of Ontario, as may be specified in the notice of redemption, the preference shares called for redemption shall be redeemed on the redemption date specified in the notice and the rights of each holder thereof shall be limited to receiving, without interest, his proportionate part of the total redemption price so deposited upon presentation and surrender of the certificate or certificates held by him; if less than all the preference shares represented by any certificate be redeemed, a new certificate for the balance shall be issued.

8. Subject to the provisions of clause 10 hereof, the Company may from time to time purchase for cancellation some or all preference shares in the market or upon some recognized stock exchange if listed and dealt in by the members thereof or pursuant to tenders received by the Company upon request for tenders addressed to all holders of record of shares of any series, at the lowest price at which in the opinion of the directors such shares are obtainable, but not exceeding an amount per share equal to the redemption price at the date of purchase of the preference shares being purchased, plus reasonable costs of purchase.

9. So long as any of the preference shares are outstanding, the Company shall, on or before the first day of December in each year, commencing on the first day of December, 1958, enter on its books to the credit of a purchase fund, which credit shall be reflected in the financial statement of the Company for the preceding fiscal year, an amount to be used for the purchase of the Participating Series Preference Shares, or if further series of preference shares are issued, for the purchase of all such preference shares then outstanding, which amount shall be two per cent (2%) of the aggregate par value of the greatest number of preference shares theretofore issued and outstanding; provided that if the Net Profits of the preceding fiscal year be less than the amount aforesaid the Company shall be required to credit the purchase fund only with an amount equal to the whole of such Net Profits, and provided further that if under the foregoing provisions the Company would be required in any year to credit the purchase fund with an amount which, when added to the amount then to the credit of such purchase fund, would aggregate an amount in excess of ten per cent (10%) of the aggregate par value of the greatest number of preference shares theretofore outstanding, the Company in such year shall only be required to credit such purchase fund with an amount which when added to the said amount then to the credit of such purchase fund will equal ten per cent (10%) of the aggregate par value of the greatest number of preference shares theretofore issued and outstanding; the amount from time to time to the credit of the said purchase fund shall be applied with reasonable dispatch to the purchase by one (1) or more of the methods provided by clause 8 of as many shares as the amount available will purchase of each series respectively of preference shares then outstanding for the purchase of which respectively the said amount was so credited on the books of the Company and the purchase fund shall be reduced by the amount so applied; provided that the price or prices payable for any of the said shares shall not in any case exceed the redemption price of the preference shares respectively current at the time of purchase thereof plus reasonable costs of purchase; notwithstanding anything herein contained, the

Company shall not be required to purchase any preference shares as required herein if and so long as such purchase would constitute a breach by the Company of the provisions of any trust deed between the Company and a trustee acting in respect of any of its bonds, debentures or similar obligations or if and so long as such purchase would be contrary to any applicable law; any amount or amounts credited to the said purchase fund need not be kept separate from other moneys of the Company, and pending the use or application thereof for the purposes hereinbefore provided may be employed in the business of the Company; the Company may at any time anticipate the whole or any part of its purchase fund obligations by purchasing or redeeming preference shares as herein provided and applying the cost of such preference shares in reduction of the amounts of any purchase fund obligations thereafter becoming due.

10. So long as any of the preference shares are outstanding the Company shall not redeem or purchase for cancellation (except through the application of amounts credited to the purchase fund) less than all of the preference shares then outstanding or declare any dividend on or redeem, purchase or pay off any other of its shares unless (i) all accrued dividends on the preference shares have been declared and paid or set apart and the current quarterly dividend instalment of the fixed preferential dividend has been declared and set apart, and (ii) the amount required by clause 9 has been entered on its books to the credit of the purchase fund and no default otherwise exists under the purchase fund provisions, and (iii) the amount of the Company's Net Current Assets exceeds Three Million, Five Hundred Thousand Dollars ($3,500,000) by an amount at least sufficient to provide for such redemption, purchase, payment off or dividend.

11. So long as any of the preference shares are outstanding the Company shall not without, but may from time to time with, the approval of the holders of the preference shares:

(a) voluntarily wind up its affairs, surrender its charter, sell, lease or otherwise dispose of its assets and undertaking as an entirety or substantially as an entirety or take any other step with a view to the discontinuance of its undertaking;

(b) sell or otherwise dispose of the shares of any Subsidiary or cause or permit any Subsidiary to sell, lease or otherwise dispose of its assets and undertaking as an entirety or substantially as an entirety otherwise than to the Company or to another Subsidiary unless the book value of the assets of such Subsidiary shall, according to the report of the Company's auditors, comprise less than ten per cent (10%) of the book value of the consolidated assets of the Company and all its Subsidiaries (excluding in both cases inter-company items) as of a date not more than one hundred and twenty (120) days before the date of such sale, lease or other disposition;

(c) guarantee or permit any Subsidiary to guarantee any obligations of or dividends of any other corporation, firm or individual; provided that this sub-clause (c) shall not apply to or prohibit the guaranteeing by the Company of an obligation of a Subsidiary or the guaranteeing by a Subsidiary of an obligation of the Company or of another Subsidiary.

12. The approval of the holders of preference shares for the purposes of clause 11 may be given (i) by resolution passed at a meeting of holders of preference shares duly called for the purpose and held upon at least fifteen (15) days' notice by the affirmative vote of the holders of not less than one-half (½) of the preference shares then outstanding and against which the holders of not more than one-quarter (¼) of the preference shares then outstanding shall have cast their votes; or (ii) by instrument or instruments in writing signed by the holders of a majority of the preference shares then outstanding after notice to all holders of preference shares of the proposal approved by such instruments; provided that the Company shall not have received within twenty-one (21) days after giving such notice protests in writing signed by the holders of one-quarter (¼) or more of the preference shares then outstanding; all notices under this clause shall be given in the same manner as notices of redemption under clause 7 hereof.

13. For all purposes of these provisions:

(a) "Subsidiary" means any corporation the majority of the voting shares of which is held, owned or controlled, directly or indirectly, by or for the Company; provided that the ownership or control of such voting shares confers the right to elect at all times at least a majority of the board of directors of such corporation; and any other corporation in like relation to a Subsidiary;

(b) "Net Current Assets" means the excess of Current Assets over Current Liabilities computed from a balance sheet of the Company or if at the time the Company has one (1) or more Subsidiaries from a consolidated balance sheet of the Company and its Subsidiaries prepared in accordance with generally accepted accounting practice;

(c) "Current Assets" means the sum of the following:

(i) cash on hand and in banks and trust companies;

(ii) call loans;

(iii) accounts, bills and notes receivable if payable on demand or within twelve (12) months, accrued interest receivable, dividends declared and receivable within sixty (60) days and rents and royalties receivable, less applicable allowances if any;

(iv) marketable securities other than those of the Company and Subsidiaries valued at the lower of the cost or market;

(v) inventories of paper, ink, metal and materials determined at the option of the Company from book inventory records or from physical stocktaking valued at the lower of cost or market;

(vi) cash surrender value of life insurance policies in which the Company or any Subsidiary is designated as the beneficiary;

(vii) prepaid interest, insurance, rents, municipal taxes and other similar items; and

(viii) any other assets which in accordance with generally accepted accounting practice may properly be grouped as Current Assets;

but shall not include any moneys held by a trustee as part of the specifically mortgaged premises under a trust deed securing bonds, debentures or similar obligations;

(d) "Current Liabilities" means the sum of all liabilities other than;

(i) the principal of any indebtedness which does not mature within twelve (12) months;

(ii) appropriations from profits or surplus to the extent that they are not required to provide for reduction in the value of a Current Asset or to provide for a liability maturing within twelve (12) months save the balance at the credit of the purchase fund for the preference shares and the maximum amount which may be required to be credited to such purchase fund in the preparation of a financial statement for the current fiscal year;

(iii) contingent liabilities;

(iv) issued capital and surplus, and

(v) any other liabilities which in accordance with generally accepted accounting practice should not be included in Current Liabilities;

and without limiting the generality of the foregoing shall include any sinking fund obligations due within twelve (12) months in respect of bonds, debentures or similar obligations, except insofar as any such obligation has been satisfied by moneys in the hands of the trustee therefor or otherwise has been anticipated;

(e) "Net Profits" means the income from all sources, not including gains or losses on the sale or disposal of capital assets or investments of the Company or if at the time the Company has one (1) or more Subsidiaries, of the Company and its Subsidiaries on a consolidated basis after due provision for any minority interest computed in accordance with generally accepted accounting practice and reported upon by the Company's auditors after charging or making provision for interest on funded debt and other interest bearing indebtedness, amortization of bond or debenture discount and expenses, taxes on income or profits, depreciation on depreciable properties, plant and equipment at rates acceptable to the Company's auditors, and all other expenses of operation and administration, and after deducting an amount equal to dividends at the rate of six per cent (6%) per annum on the preference shares for the period for which the Net Profits are being determined; and

14. The authorization for an application for the issue of Supplementary Letters Patent to delete or vary any preference, right, condition, restriction, limitation or prohibition attaching to the preference shares or to create preference shares ranking in priority to or on a parity with the preference shares, in addition to the authorization by a special resolution, shall be given by at least seventy-five per cent (75%) of the votes cast at a meeting of the holders of the preference shares duly called for that purpose, upon at least ten (10) days' notice, such meeting to be held and such notice to be given in accordance with the by-laws of the Company, and each holder of a preference share shall be entitled to one (1) vote at such meeting in respect of each preference share held.

The 6% Cumulative Redeemable First Preference Shares, Participating Series (herein called Participating Series Preference Shares) in addition to the preferences, rights, conditions, restrictions, limitations and prohibitions attaching to the first preference shares as a class, carry and have attached thereto the following:

1. In addition to the fixed cumulative preferential dividend payable to the holders of all preference shares as a class, the holders of the Participating Series Preference Shares shall be entitled to receive, in preference to the payment of any dividend on shares of the Company ranking after the preference shares, a participating dividend whenever in any fiscal year of the Company, commencing with the fiscal year to end the thirtieth September, 1958, its Net Profits exceed Five Hundred Thousand Dollars ($500,000); the participating dividend shall be payable on the thirty-first day of December next following the close of the fiscal year and shall be the lesser of (a) one dollar ($1) per share; or (b) a sum per share determined by dividing the amount by which the Net Profits for the fiscal year exceeded Five Hundred Thousand Dollars ($500,000) by the number of Participating Series Preference Shares out-

standing on the day on which such fiscal year ended; if any participating dividend be not paid in full on the day on which it is payable, the amount unpaid shall accumulate and be paid on a subsequent date in priority to dividends on all other shares of the Company ranking after the preference shares; the board of directors of the Company may elect in respect of any fiscal year that the participating dividend be one dollar ($1) per share, in which event it shall not be necessary to await the determination of the Net Profits for that year; the participating dividend shall be paid by cheque of the Company payable at par at any branch in Canada of the Company's bankers for the time being; the participating dividend shall not be deemed to have accrued until the date upon which it is payable;

2. In the event that during any fiscal year of the Company action shall be taken to liquidate, dissolve or wind up the Company or otherwise to distribute its assets among its shareholders other than by way of dividends paid while the Company is a going concern out of moneys of the Company properly applicable to the payment of dividends, the holders of the Participating Series Preference Shares shall be entitled to receive and be paid as of the date such action is taken a participating dividend in respect of the then current fiscal year in the same manner and with the same effect as though the fiscal year of the Company had ended on the date such action was taken, and for this purpose the sum of one dollar ($1) shall be adjusted to such figure as bears the same proportion to one dollar ($1) as the number of days expired in the then current fiscal year bears to three hundred and sixty-five (365);

3. On or before the thirtieth day of November in each year the Net Profits for the preceding fiscal year and the participating dividend if any based thereon shall be determined by the Company's auditors whose decision shall be final and conclusive; the term "Net Profits" shall have the same meaning as provided by the conditions attaching to the preference shares as a class;

4. The holders of the Participating Series Preference Shares shall be entitled on the voluntary liquidation, dissolution or winding-up of the Company or other voluntary distribution of its assets among its shareholders other than by way of dividends paid while the Company is a going concern out of moneys of the Company properly applicable to the payment of dividends to receive, before any distribution shall be made to the holders of any shares of the Company other than the preference shares of the Company, a premium per share of ten per cent (10%) of the amount paid up thereon in addition to the amount paid up on their shares and the amount of all accrued and unpaid dividends thereon;

5. The holders of Participating Series Preference Shares redeemed by the Company shall be entitled to a premium per share of ten per cent (10%) of the amount paid up thereon in addition to the amount paid up thereon and the amount of all accrued and unpaid dividends thereon;

6. No application for Supplementary Letters Patent to delete or vary any preference, right, condition, limitation, restriction or prohibition attaching to Participating Series Preference Shares and not to the preference shares as a class shall be made by the Company until such application has been authorized by at least seventy-five per cent (75%) of the votes cast at a meeting of the holders of the outstanding Participating Series Preference Shares duly called for that purpose, such authorization to be in addition to the authorization required by clause 14 attaching to the preference shares as a class and to any other authorization required by law.

The 6% Cumulative Redeemable First Preference Shares, Convertible Series, (herein called "Convertible Series Preference Shares"), in addition to the preferences, rights, conditions, restrictions, limitations and prohibitions attaching to the first preference shares as a class, carry and have attached thereto the following:

1. Upon and subject to the terms and conditions hereinafter set forth, each Convertible Series Preference Share shall be convertible at the option of the registered holder into ten (10) fully paid and non-assessable common shares of the Company at any time on or after the first day of July, A.D. 1962 and prior to the thirtieth day of June, A.D. 1967, or if such share has been called for redemption on a date prior to the last mentioned date, prior to the close of business on the last business day preceding the date specified for such redemption; if the number of outstanding common shares of the Company shall at any time be increased or decreased as a result of any consolidation or subdivision of the common shares or as a result of any stock dividend on the common shares, the number of common shares into which each Convertible Series Preference Share shall be convertible shall be increased or decreased proportionately; a holder of Convertible Series Preference Shares desiring to convert his Convertible Series Preference Shares into common shares in accordance with the foregoing, shall surrender the certificate or certificates representing his Convertible Series Preference Shares so to be converted to the Company at its head office or to the transfer agent, if any, for the time being of the Convertible Series Preference Shares, together with a written request for such conversion in such form and with such verification of signature as the directors of the Company may from time to time require; the conversion shall be deemed to take effect as of the date upon which the said certificate or certificates shall be surrendered to the Company at its head office or to the transfer agent, as the case may be, accompanied by the said written request, unless such date be a Sunday, Saturday or a public holiday, in which event

it shall take effect on the next business day; in the event that part only of the Convertible Series Preference Shares represented by any certificate shall be converted, a certificate for the remainder of the Convertible Series Preference Shares represented by the said certificate shall be delivered to the holder without charge; there shall be no payment or adjustment on account of any accumulated or unpaid dividends on the Convertible Series Preference Shares converted or on account of any dividends on the common shares resulting from such conversion;

2. Prior to the first day of July, A.D. 1962, the Convertible Series Preference Shares shall not be redeemable, but may be purchased by the Company in accordance with the provisions attaching to the preference shares as a class; and

3. No application for supplementary letters patent to delete or vary any preference, right, condition, limitation, restriction or prohibition attaching to the Convertible Series Preference Shares, and not to the preference shares as a class, shall be made by the Company until such application has been authorized by at least seventy-five per cent (75%) of the votes cast at a meeting of the holders of the outstanding Convertible Series Preference Shares duly called for that purpose, such authorization to be in addition to the authorization required by clause 14 attaching to the preference shares as a class and to any other authorization required by law.

Common Shares

Common shares carry the right to one vote per common share at all general meetings of shareholders of the Company.

(I) The $10,000,000 principal amount of 5½% First Mortgage Sinking Fund Bonds and $3,500,000 principal amount of 6% Sinking Fund Debentures referred to in paragraph (L) hereof, to which reference is hereby expressly made, will rank ahead of the first preference shares.

(J) There is no substantial indebtedness to be created or assumed which is not shown in the pro forma balance sheet of the Company as at February 28, 1958 included in this prospectus, save that the Company has agreed to assume (1) the obligations of The Toronto Star Limited and Toronto Star Realty Limited (herein referred to as the "Predecessor Companies") in respect of past service under their Pension Plan; (2) the obligations of The Toronto Star Limited (herein sometimes referred to as the "Predecessor Publishing Company") under its collective agreements with Unions in respect of amounts now or hereafter payable on retirement or disability; (3) the obligations of the Predecessor Publishing Company under agreements heretofore entered into in respect of the payment of certain retirement allowances not falling under the foregoing subparagraphs (1) and (2); and (4) the payment of compassionate allowances heretofore granted by the Predecessor Companies, or either of them, to former members of their staffs. The liability for the payments so assumed has been estimated to have at December 31, 1957 a then present value of approximately $6,000,000.

(L) The securities offered hereby are 60,000 6% Cumulative Redeemable First Preference Shares, Participating Series, with a par value of $50 each. The issue price is stated on the face of this prospectus, to which reference is hereby expressly made.

The Company is offering to its employees at par 10,000 6% Cumulative Redeemable First Preference Shares, Convertible Series, with a par value of $50 each.

The aggregate number of Participating Series Preference Shares and Convertible Series Preference Shares to be presently issued is 60,000 and accordingly the number of Participating Series Preference Shares to be issued is to be 60,000 less the number of Convertible Series Preference Shares subscribed and paid for.

60 fully paid and non-assessable common shares without par value of the Company have been issued for a consideration of $120 received in cash; and by indenture dated May 9, 1958 Charth Investment Company Limited has subscribed for the 499,940 unissued common shares of the Company as an investment and not for resale and has agreed to pay therefor in cash the sum of $999,880 and the Company has agreed to issue such shares to that company. The consideration for such shares is to be paid prior to the issue of any of the Company's 5½% First Mortgage Sinking Fund Bonds, 6% Sinking Fund Debentures or First Preference Shares. Reference is made to paragraph (ZB) hereof for the names of the directors of Charth Investment Company Limited.

The Company is offering to the public by a separate prospectus $10,000,000 principal amount of 5½% First Mortgage Sinking Fund Bonds to be dated May 1, 1958, to mature May 1, 1978, and to bear interest at the rate of 5½% per annum, payable half-yearly on May 1 and November 1 in each year. The amount receivable in cash upon the issue thereof is set forth or referred to in paragraphs (M) and (ZA) hereof, to which reference is hereby expressly made.

The Company is offering to the public by a separate prospectus $3,500,000 principal amount of 6% Sinking Fund Debentures to be dated May 1, 1958, to mature May 1, 1979, and to bear interest at

the rate of 6% per annum, payable half-yearly on May 1 and November 1 in each year. The amount receivable in cash upon the issue thereof is set forth or referred to in paragraphs (M) and (ZA) hereof, to which reference is hereby expressly made.

(M) The estimated net proceeds to be derived from the sale of the 60,000 First Preference Shares of the par value of $50 each (whether issued as Participating Series Preference Shares or Convertible Series Preference Shares) and the 499,940 Common Shares without par value, the $10,000,000 5½% First Mortgage Sinking Fund Bonds and the $3,500,000 6% Sinking Fund Debentures, all as referred to in paragraph (L) hereof, are as follows:

(a)	449,940 Common Shares without par value	$ 999,880
(b)	6% Cumulative Redeemable First Preference Shares, Participating Series	$2,910,000
(c)	6% Cumulative Redeemable First Preference Shares, Convertible Series	
(d)	5½% First Mortgage Sinking Fund Bonds	$9,750,000
(e)	6% Sinking Fund Debentures	$3,395,000

less the legal, auditing, printing and miscellaneous expenses in connection with the respective issues.

(N) The proceeds to be received by the Company from the sale of the securities referred to in paragraph (M) hereof are to be applied by the Company toward the satisfaction of the sum of $18,142,549 payable in cash to the Predecessor Companies under the agreement referred to in paragraph (U) hereof, to which reference is hereby expressly made.

Any additional funds required for such purpose will be derived from the profits from the operation of the purchased assets since February 28, 1958 to which the Company is entitled or by the application thereto of some of the liquid assets being purchased or by a temporary bank loan or by any combination of the foregoing.

(O) The minimum amount which, in the opinion of the directors, must be raised by the issue of the 6% Cumulative Redeemable First Preference Shares, Participating Series, offered hereby, in order to provide the balance, not to be defrayed in any other manner, of the sum required for the purpose referred to in paragraph (N) hereof, preliminary expenses and the commission payable on the issue of such shares is $2,500,000.

(P) Under date of May 12, 1958, the Company entered into an agreement with A. E. Ames & Co. Limited whereby the Company agreed to issue and A. E. Ames & Co. Limited agreed to subscribe for the 60,000 6% Cumulative Redeemable First Preference Shares, Participating Series, of the Company with a par value of $50 each at the par value thereof, subject to the provision that the aggregate number of Participating Series Preference Shares and Convertible Series Preference Shares to be presently issued is 60,000 and, accordingly, the number of Participating Series Preference Shares to be subscribed by A. E. Ames & Co. Limited is to be reduced by the number of Convertible Series Preference Shares subscribed and paid for, and subject to the other terms and conditions therein set forth. By the said Agreement the Company agreed to pay A. E. Ames & Co. Limited, subject to the fulfilment by them of their obligations under the said agreement, a commission of $1.50 for each share subscribed and paid for by them in full.

(Q) The By-laws of the Company contain the following provision as to the remuneration of the directors:

> "28. Remuneration of directors.— The directors shall be paid such remuneration, if any, as the board may from time to time determine. Any remuneration so payable to a director who is also an officer or employee of the Company or who is counsel or solicitor to the Company or otherwise serves it in a professional capacity shall, unless the board shall otherwise determine, be in addition to his salary as such officer or employee or to his professional fees as the case may be. In addition the board may by resolution from time to time award special remuneration out of the funds of the Company to any director who performs any special work or service for, or undertakes any special mission on behalf of, the Company outside the work or services ordinarily required of a director of the Company. The directors shall also be paid such sums in respect of their out-of-pocket expenses incurred in attending board, committee or shareholders meetings or otherwise in respect of the performance by them of their duties as the board may from time to time determine. No confirmation by the shareholders of any such remuneration or payment shall be required.

(R) The aggregate remuneration estimated to be payable by the Company during its current fiscal year ending September 30, 1958 (1) to directors as such is $2,500; and (2) to officers who as such may individually be entitled to receive remuneration in excess of $10,000 per annum is $34,600.

(S) No amount has been paid or is now payable as a commission by the Company for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in or obligations

of the Company, save the commission payable to A. E. Ames & Co. Limited referred to in paragraph (P) hereof, to which reference is hereby expressly made.

(T) The preliminary expenses of the Company, including legal, auditing, printing and miscellaneous expenses in connection with the incorporation of the Company, the purchase from the Predecessor Companies, referred to in paragraph (U) hereof, and the issue of securities referred to in paragraph (L) hereof are estimated at $250,000.

(U) Pursuant to an offer to purchase made by the Company to the Predecessor Companies, dated February 20, 1958, and accepted by the Predecessor Companies on April 1, 1958, the Company has agreed to purchase as of the close of business on February 28, 1958 from each of the Predecessor Companies as a going concern its undertaking and goodwill and all assets of every kind and description. The Company is to acquire ownership of the assets of the Predecessor Companies (which to a minor extent consist of leasehold estates), subject to certain leases of stores, office space and vacant lands not presently required in the operations and in the case of certain lands held under lease from The Toronto Harbour Commissioners subject to a sub-lease to the present occupant. It is expected that the purchase will be completed on or about May 27, 1958. Since February 28, 1958 the assets agreed to be purchased have been operated by the Predecessor Companies for the account of the Company.

(V) The names and addresses of the vendors of the property referred to in paragraph (U) are:
The Toronto Star Limited and Toronto Star Realty Limited, both of 80 King Street West, Toronto, Ontario.

The amount payable to The Toronto Star Limited is the sum of $14,051,240 in cash, together with the assumption of liabilities and the amount payable to Toronto Star Realty Limited is the sum of $4,091,309, together with the assumption of liabilities. No amount for goodwill was included in the calculation of the purchase price payable to either of the Predecessor Companies.

(ZA) The Company has not entered into any material contracts other than contracts in the ordinary course of business except the following:

(a) the agreement with The Toronto Star Limited and Toronto Star Realty Limited (the Predecessor Companies) referred to in paragraph (U) hereof, to which reference is hereby expressly made, whereby the Company has agreed to purchase from each of the Predecessor Companies as a going concern its undertaking and goodwill and all its assets of every kind and description;

(b) the agreement with A. E. Ames & Co. Limited, dated May 12, 1958, referred to in paragraph (P) hereof, to which reference is hereby expressly made;

(c) an agreement with A. E. Ames & Co. Limited, dated May 12, 1958, whereby, subject to the terms and conditions therein set forth, the Company has agreed to sell and A. E. Ames & Co. Limited has agreed to purchase the $10,000,000 principal amount of 5½% First Mortgage Sinking Fund Bonds at the price of $97.50 per $100 principal amount, plus accrued interest on such principal amount from May 1, 1958, and $3,500,000 principal amount of 6% Sinking Fund Debentures at the price of $97 per $100 principal amount, plus accrued interest on such principal amount from May 1, 1958.

(d) the agreement with Charth Investment Company Limited dated May 9, 1958 referred to in paragraph (L) hereof to which reference is hereby expressly made.

(e) the undertaking in favour of The Atkinson Charitable Foundation whereby the Company undertook that, if during the period to expire May 31, 1963 it should sell the assets purchased from the Predecessor Companies for a price in excess of the amount paid by it for such assets, it would pay the amount of such excess to the Foundation when the price had been paid to it in full on the basis that the Foundation would pay any tax levied on or incurred by reason of such payment.

Copies of the said agreements may be inspected during ordinary business hours at the head office of the Company, 80 King Street West, Toronto, Canada, during the period of primary distribution to the public of the securities offered hereby.

(ZB) Joseph Story Atkinson, Ruth Atkinson Hindmarsh, William James Campbell, Beland Hugh Honderich and Burnett Murray Thall are directors of the Predecessor Companies which have agreed to sell as going concerns their undertakings and goodwill and all their assets of every kind and description to the Company, as more particularly set forth in paragraph (U) hereof, to which reference is hereby expressly made. Together with Harry Atkinson Hindmarsh, they are also directors of Charth Investment Company Limited which has entered into the agreement with the Company dated May 9, 1958 referred to in paragraph (L) hereof to which reference is hereby expressly made.

(ZC) The Company was incorporated under the laws of the Province of Ontario by letters patent, dated February 6, 1958, and as more particularly set forth in paragraph (U) hereof, to which reference

is hereby expressly made, proposes to acquire as going concerns the undertakings and goodwill and all the assets of every kind and description of the Predecessor Companies, both of which have carried on their businesses for more than three years.

(ZD) Pursuant to the agreement with the Company dated May 9, 1958 referred to in paragraph (L) to which reference is hereby expressly made, Charth Investment Company Limited upon the issue to it of 499,940 common shares of the Company as therein referred to will be in a position by reason of beneficial ownership of the majority of the common shares of the Company to elect or cause to be elected a majority of the directors of the Company.

The foregoing declarations constitute full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 39 of The Securities Act (Ontario), by Section 39 of The Securities Act, 1954 (Saskatchewan), by Section 13 of the Security Frauds Prevention Act (New Brunswick), by Part IX of The Securities Act, 1955 (Alberta), and under the Quebec Securities Act, and there is no further material information applicable other than in the financial statements or reports where required or exigible.

DATED this 14th day of May, 1958.

Directors

(*Signed*) J. S. Atkinson

(*Signed*) H. A. Hindmarsh

(*Signed*) W. J. Campbell

(*Signed*) Beland Honderich

(*Signed*) Ruth A. Hindmarsh

(*Signed*) Burnett M. Thall

Underwriters

To the best of our knowledge, information and belief, the foregoing declarations constitute full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 39 of The Securities Act (Ontario), by Section 39 of The Securities Act, 1954 (Saskatchewan), by Section 13 of the Security Frauds Prevention Act (New Brunswick), by Part IX of The Securities Act, 1955 (Alberta), and under the Quebec Securities Act, and there is no further material information applicable other than in the financial statements or reports where required or exigible. In respect of matters which are not within our knowledge we have relied upon the accuracy and adequacy of the foregoing.

A. E. Ames & Co. Limited

by (*Signed*) R. L. Warren

The following are the names of all persons having an interest, directly or indirectly, to the extent of not less than five per centum in the capital of A. E. Ames & Co. Limited: R. L. Warren, F. D. Chapman, J. B. Ridley, H. D. Leeming, C. G. Fullerton, W. P. Spragge, W. Robson, R. B. West.